

Full Council

Title:	External Audit / Annual Governance and Accountability Return (AGAR) / End of Year Accounts 2022-23
Date:	13 June 2023
Contact Officer:	Karen Slater, RFO & Corporate Services Manager

Purpose of Report

1. To provide relevant background to the Financial Statement (unaudited) for the year ending 31 March 2023 and the Annual Governance and Accountability Return (AGAR) (including the Annual Governance Statement and the Accounting Statements) for 2022-23.

Background

2. Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
3. In discharging this accountability, public bodies (both members and officers) are responsible for putting in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal.
4. As a safeguard to ensure the proper discharge of this accountability, external auditors in the public sector give an independent opinion on public bodies' financial statements.
5. They may also review, and report on, aspects of public bodies' arrangements to ensure the proper conduct of their financial affairs and to manage their performance and use of resources.
6. On 30 November 2016 the Small Authorities Audit Authority (SAAA) announced the award of new External Auditor contracts for a period of five years with Moore Stephens being appointed for Oxfordshire. The new contract relates to the financial year beginning 1 April 2017.
7. Moore Stephens completed the External Audit for 2022-23 in line with that contract and will do so again this year.
8. As last year, the Town Council, along with other councils, is now required to submit an Annual Governance and Accountability Return (AGAR) instead of an Annual Return to our external auditor, Moore Stephens, which is still part of the "limited assurance" regime, since it relates to a gross income or expenditure of less than £6.5m per annum.

Annual Governance Statement 2022-23 (Appendix i)

9. It is a requirement of Accounts and Audit Regulations for the Town Council to separately approve the Annual Governance Statement (Section 1 / page 4 of the AGAR) in advance of approving the Accounting Statements. The Town Council is responsible for ensuring that there is a sound system of internal control which includes the preparation of the accounting statements. The Annual Governance Statement is attached as Appendix i.

Financial Statement (Unaudited) Year Ending 31 March 2023 (Appendix ii)

10. To complete the Accounting Statements within the AGAR, the Financial Statement for the year ending 31 March 2023 has to be prepared.
11. The Financial Statement (unaudited) for the year ending 31 March 2023 has been prepared by Derek Kemp of DCK Beavers Ltd. Note *The Financial Statement was submitted very late and has not been proof read as yet, it is attached as Appendix ii
12. The Financial Statement is not a legal requirement, and Moore Stephens has no responsibility for auditing it, hence “unaudited”. The Financial Statement does, however, provide a fuller explanation of the End of Year accounts and movements in reserves, so has value. It shows that there was an increase in General Reserves of **£18,183** for the year and a decrease in earmarked revenue reserves of **£42,085**
13. The RFO has reviewed the 2022-23 accounts in detail, against the budget and the 12-month forecast at 2023-24 budget setting and there is no particular variance of note. No deficit was budgeted, it was predicted again with no deficit at budget setting (6 months in) and turned out that **£18,183** was transferred into general reserves at year end. Any unexpected expenses were covered by savings made from various underspent budgets lines or by using our Earmarked Reserves where possible.

Accounting Statements within the AGAR 2022-2023 (Appendix iv)

14. The figures within the Accounting Statements (attached as Appendix iv – Section 2 / Page 5 of the AGAR) are established from the Financial Statement via the Annual Return Working Paper (Appendix iii).

Legal Powers:

- Accounts and Audit Regulations 2015
- Local Audit and Accountability Act 2014

Recommended that:

- i) The Annual Governance Statement for 2022-23 be approved.*
- ii) The Financial Statement (unaudited) for the year ending 31 March 2023 be received.*
- iii) The Accounting Statements for 2022-2023 be approved.*
- iv) It be noted that the Notice of Public Rights and Publication of Unaudited Annual Governance & Accountability Return will be 15th June – 26 July 2023.*